

# Message from the Director in Charge of Marketing



**We will promote sales and marketing activities on a short-term, medium-term to long-term, and super-long-term perspective in order to attain the overarching aspiration for 2030 to be inherited to becoming a 100-year company.**

**Kosuke Doi** Executive Officer, Department Manager, Marketing Department

### Risks and opportunities

◆ **Further advance and upgrade e-materials and identify risks and opportunities on a short-term, medium-term to long-term, and super-long-term basis**

The global semiconductor market in 2020 stood at USD 440,389 million, up 6.8% from the previous year, with increased demand for PCs and tablets due to longer hours spent at home, expanded share of 5G smartphones, substantially greater data traffic on the Internet, and higher demand for infrastructural capital investment in cloud services, while the global economy was stagnant because of the COVID-19 infection\*.

The semiconductor market in 2021 is expected to show positive growth by 19.7% from the previous year with most of the favorable factors above continued, as well as increased applications in automobiles, in addition to the gradual return to normal of global economic activities\*. Furthermore, the transition to a phase that differs substantially from the past ten years is expected in the next ten years because of the dissemination of 5G communications, increased sensor demand, and expansion of autonomous vehicles, combined with the further increase in data use and semiconductor use in technological development toward the 6G next-generation communication standard. (There is an estimate that semiconductor wafer input will increase threefold from 2020 to 2030.) To fully understand these growth opportunities on a short-term, medium-term to long-term, and super-long-term basis, we will attain the overarching aspiration (qualitative aspects and quantitative aspects) under TOK Vision 2030 by further advancing and upgrading e-materials that are indispensable for the production of electronic components and semiconductors.

While the semiconductor supply chain has become a technological key in support of the advancement of society and human lives, there is an ongoing shift from global production to regional production of materials due to the escalating geopolitical risks of the U.S.-China trade friction. We recognize the protectionist policies across the world as future risks. Additional short-term risks are becoming apparent, and those risks include

delayed mass production starts and capital investments at customers caused by the increasing technological difficulty in the innovative semiconductor segment, decreased profitability due to the increases in the price of raw materials, and price competition for panel materials. There are also medium- to long-term risks of changing resist demand due to the silicon cycle, and the consequences of eating up semiconductor demand ahead of time. On a super-long-term basis, we will have to carefully identify the future areas of strengths in order to steadily and fully take advantage of business opportunities in optical semiconductors and quantum computer materials, which will play the leading role in the upcoming generations following 3D semiconductors.

\* Source: World Semiconductor Trade Statistics (June 8, 2021)

### Initiatives toward TOK Vision 2030

◆ **Establish win-win relationships and promote strategic marketing toward the overarching aspiration (qualitative aspects and quantitative aspects)**

Based on the recognition of risks and the potential opportunities as categorized above, the TOK Group will continue to implement customer-oriented strategies, aiming to *provide new added value that inspires customers* as the overarching aspiration (qualitative aspect) under TOK Vision 2030. The specific activities will include sales, marketing, and promotion in the state-of-the-art segments of EUV/ArF photoresists and high-purity chemicals for the miniaturization of semiconductors, as well as KrF excimer laser photoresists for 3D-NAND and high-density integration materials for 2.5D and 3D packaging. We will also gear up for the sales of materials for memory devices, image sensors, power semiconductors, and in-vehicle semiconductors as these markets expand driven by the fields above. We will further advance the customer-oriented strategies to establish win-win relationships with customers for any market and technological trends.

Our objective is to deepen and cultivate electronic material field as the most important strategy toward achieving net sales 200.0 billion yen, EBITDA 45.0 billion yen, and ROE ≥10% as

the overarching aspiration (quantitative aspects) for FY 2030/12. Under this strategy, we pursue sustainable development by gearing up the growth-oriented approach, while breaking through the present difficulties, regarding upcoming market changes and unexpected risks as opportunities based on the thoroughly customer-oriented scenarios. As specific measures, we will strengthen initiatives to introduce cutting-edge, state-of-the-art technologies ahead of others, while reinforcing technical marketing for each product to grow trees while seeing the wood (i.e., having a big picture) through collaboration between the Strategic Alliance Division, which was established in 2020, and the Sales Strategy Division, which was organized in April 2021. Regarding miniaturization of semiconductors on a short-term basis, we will pursue growth in line with the ongoing customer-oriented strategies. In the meantime, we will also deepen the business areas and promote horizontal expansion by envisioning the upcoming next-generation semiconductor production technologies, grasping new needs that will provide a blue ocean ahead of others through technical marketing. To this end, we will explore future business styles and identify themes to pursue and core technologies to develop in order to expand semiconductor-related business areas, have future forecasts and resolve problems related to our products in advance, and upgrade and set in place TOK brands.

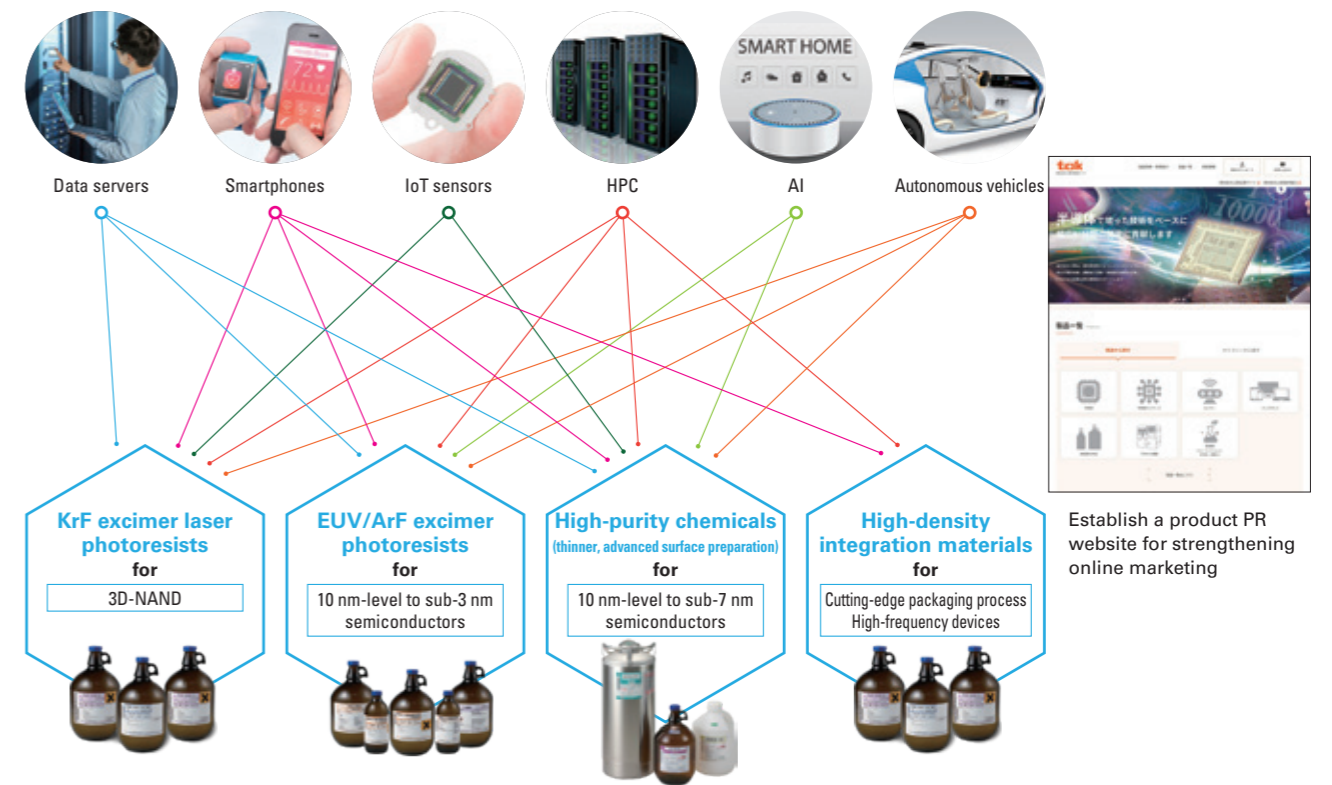
Regarding the deployment of new businesses from a super-long-term perspective to be inherited to become a 100-year

company in 2040, we will gear up marketing of the present new business products, such as life science-related materials, optical materials, and functional films, in collaboration with the New Business Development Department. At the same time, we will also promote marketing activities by envisioning the development of new businesses in the decarbonization, environment, and AI fields based on new collaboration with stakeholders and the exhaustive analysis of social trends, thereby crystallizing a new business portfolio.

◆ **Enhance global brand power through the development of locally hired non-Japanese sales personnel and the promotion of diversity measures**

The overseas sales ratio of the TOK Group has remained at around 80%. Therefore, we formulate and upgrade local-specific strategies based on the conditions of each customer-oriented site overseas in the implementation of sales and marketing strategies as described above. At the same time, we will strengthen collaboration with sites in Japan while continuously developing locally hired non-Japanese sales personnel and promoting diversity measures, so that all group employees can share the Purpose of TOK and provide higher value to customers and society, thereby enhancing our global brand power.

### Value creation by TOK in innovative fields



**Purpose**  
Enhance the TOK brands by globally practicing  
“contributing to a sustainable future through chemistry”